

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: Petition of Mid-Rivers Telephone Cooperative to be Declared an ILEC Pursuant to Section 251(h)(2) of the Communications Act, WC Docket 02-78.

I support today's decision to open a Notice of Proposed Rulemaking seeking comment on the process for designating a competitive carrier as an incumbent LEC when it has substantially replaced the existing incumbent provider. Congress specifically provided for this circumstance by adopting Section 251(h)(2) of the Act, which sets out a statutory test for designation of a comparable carrier as an incumbent LEC. This Notice asks important questions about the process for such designations and about the implications for our universal service and local competition rules. Designation as an incumbent may mean that additional universal service support is available to rural carriers who expand into the markets of their non-rural carrier neighbors, so the issues raised in this proceeding are meaningful for the development of choice and high quality services for those in Rural America. Timely resolution of this proceeding, which has been pending for over two years, is essential because we must ensure that our rules create incentives for carriers to invest in the latest and most powerful technologies to serve Rural America.